



PriceSmart Announces February Merchandise Sales; also Announces Earnings Release and Conference Call Dates for the Second Quarter of Fiscal Year 2020 Financial Results

SAN DIEGO, March 6, 2020 /PRNewswire/ -- PriceSmart, Inc. (NASDAQ: PSMT) today announced that for the month of February 2020, net merchandise sales increased 11.7% to \$255.5 million from \$228.8 million in February a year earlier. The extra day from leap year, Saturday, February 29, impacted net merchandise sales favorably versus the same one-month period in the prior year. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$1.6 million or 0.6% versus the same one-month period in the prior year. There were 45 warehouse clubs in operation at the end of February 2020 and 41 warehouse clubs in operation at the end of February 2019.

Fiscal year to date, which includes the six months ended February 29, 2020, net merchandise sales increased 5.3% to \$1,650.5 million from \$1,567.7 million for the six months ended February 28, 2019. Foreign currency exchange rate fluctuations impacted net merchandise sales negatively by \$15.1 million or 0.9% versus the same six-month period in the prior year.

For the five weeks ended March 1, 2020, comparable net merchandise sales for the 41 warehouse clubs open at least 13 ½ full months increased 1.0% when compared to the same five-week period last year. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$1.9 million or 0.6% versus the same period in the prior year.

For the 26-week period ended March 1, 2020, comparable net merchandise sales increased 0.7%, compared to the same 26-week period a year ago. Foreign currency exchange rate fluctuations impacted comparable net merchandise sales negatively by \$14.6 million or 0.9% versus the same prior year period.

Sherry Bahrambeygui, Chief Executive Officer, commented:

"We saw solid net merchandise sales growth in February driven in part, by a combination of the benefits realized from the Six Rights of Merchandising initiatives we have undertaken during the last several months, the addition of four new clubs, and one more shopping day versus the prior year period because of leap day. As we expected, recent club openings in our existing markets are putting pressure on comparable net merchandise sales in the near-term. We believe these additional clubs, strategically located, enhance our members' shopping experience, drive membership loyalty and, as a consequence, will continue to increase membership and sales growth over time.

With regard to the Coronavirus, we have not yet seen a significant impact in any of our markets, except we noted an increase in sales of certain durable food and cleaning items approaching the end of February. We continue to prepare for various scenarios to minimize out-of-stocks and to protect our supply chain so that we can be in a strong position to effectively serve our members and our markets when they need us most. And, as always, our plans prioritize the safety and well-being of our members and our employees and their families. We wish you and your families good health and safety, as we all work together to emerge from this health concern."

The Company reports comparable net merchandise sales on a "same week" basis with 13 weeks in each quarter beginning on a Monday and ending on a Sunday. The periods are established at the beginning of the fiscal year to provide as close a match as possible to the calendar month and quarter that is used for financial reporting purposes. This approach equalizes the number of weekend days and weekdays in each period for improved sales comparison, as we experience higher merchandise club sales on the weekends. Each of the warehouse clubs used in the calculations was open for at least 13 ½ calendar months before its results for the current period were compared with its results for the prior period.

The term "currency exchange rates" refers to the currency exchange rates we use to convert net merchandise and comparable net merchandise sales for all countries where the functional currency is not the U.S. dollar into U.S. dollars. We calculate the effect of changes in currency exchange rates as the difference between current period activities translated using the current period's currency exchange rates, and the comparable prior year period's currency exchange rates. The disclosure of the effects of currency exchange rate fluctuations on the Company's results permits investors to understand better our underlying performance.

Second Quarter 2020 Earnings Announcement Details:


PriceSmart today also announced that it plans to release second quarter fiscal year 2020 financial results on Wednesday, April 8, 2020, after the market closes. PriceSmart management plans to host a conference call at 12:00 p.m. Eastern time (9:00 a.m. Pacific time) on Thursday, April 9, 2020, to discuss the financial results. Individuals interested in participating in the conference call may do so by dialing (855) 209-8211 for domestic callers or (412) 317-5214 for international callers, and asking to join the PriceSmart, Inc. call. A digital replay will be available through April 16, 2020, following the conclusion of the call by dialing (877) 344-7529 for domestic callers, or (412) 317-0088 for international callers, and entering replay access code 10139915.

About PriceSmart

PriceSmart, headquartered in San Diego, owns and operates U.S.-style membership shopping warehouse clubs in Latin America and the Caribbean, selling high quality merchandise and services at low prices to PriceSmart members. PriceSmart operates 45 warehouse clubs in 12 countries and one U.S. territory (seven each in Colombia, Costa Rica, and Panama; five in the Dominican Republic, four in Trinidad and Guatemala; three in Honduras; two each in El Salvador and Nicaragua; and one each in Aruba, Barbados, Jamaica and the United States Virgin Islands). The Company expects to open additional warehouse clubs in the following locations by approximately the following dates: in Liberia, Costa Rica, in the spring of 2020; in Bogota and Bucaramanga, Colombia, in the fall of 2020; and in Jamaica in 2021.

This press release may contain forward-looking statements concerning the Company's anticipated future revenues and earnings, adequacy of future cash flow, proposed warehouse club openings, the Company's performance relative to competitors, the outcome of tax proceedings and related matters. These forward-looking statements include, but are not limited to, statements containing the words "expect," "believe," "will," "may," "should," "project," "estimate," "anticipated," "scheduled," and like expressions, and the negative thereof. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, but not limited to: adverse changes in economic conditions in the Company's markets, natural disasters, compliance risks, volatility in currency exchange rates, competition, consumer and small business spending patterns, political instability, increased costs associated with the integration of online commerce with our traditional business, whether the Company can successfully execute strategic initiatives, breaches of security or privacy of member or business information, cost increases from product and service providers, interruption of supply chains, epidemic, pandemic or other public health issues, exposure to product liability claims and product recalls, recoverability of moneys owed to PriceSmart from governments, and other important factors discussed under the captions "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2019 filed with the United States Securities and Exchange Commission ("SEC") on October 29, 2019, as such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Forward-looking statements speak only as of the date that they are made, and the Company does not undertake to update them, except as required by law.

For further information, please contact Michael McCleary, SVP, Interim Chief Financial Officer and Principal Accounting Officer (858) 404-8826 or send an email to ir@pricesmart.com.

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